

Summary of Medical Savings Accounts**1997**

► For Paperwork Reduction Act Notice, see back of form.

Trustee's name	Employer identification no.
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Number, street, and room/suite no.

City, state, and ZIP code	Telephone number ()
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a This report is for the period:☐ **January 1 through
April 30, 1997**☐ **May 1 through
June 30, 1997****b** Total number of medical
savings accounts (see
instructions) . . . ►**c** Total number of previously
uninsured account holders
(see instructions). . . ►**d** Total number of excludable
account holders (see
instructions) . . . ►

	Name of Account Holder (Last name, first name, and middle initial)	Social Security Number	Check if Previously Uninsured	Check if Excludable
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
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General Instructions

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping 3 hr., 51 min.
Learning about the law or the form 6 min.
Preparing, copying, assembling, and sending the form to the IRS 10 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the form to this address. Instead, see **Where To File** below.

Purpose of Form

Use this form to report the total number of medical savings accounts (MSAs) you established, the total number of previously uninsured account holders, the total number of excludable account holders, and the names and social security numbers of account holders. The report will be used to furnish information about MSAs to Congress and to determine when the maximum number of MSAs allowed by law (750,000, excluding previously uninsured account holders) has been reached.

Who Must File

File Form 8851 if you are the trustee or custodian of an MSA. A trustee or custodian may be a bank or similar financial institution, an insurance company, or any other person already approved by IRS as trustee or custodian of an individual retirement arrangement (IRA).

When To File

For 1997.—File Form 8851 by June 2, 1997, to report MSAs established from January 1, 1997, through April 30, 1997. Then file another Form 8851 by August 1, 1997, to report MSAs established from May 1, 1997, through June 30, 1997.

Due Date	Period Covered
June 2, 1997	Jan. 1—April 30, 1997
August 1, 1997	May 1—June 30, 1997

How To File

You can report less than 250 MSAs on paper. If you are required to report 250 or more MSAs, you must file on magnetic media or electronically.

Where To File

Send all Forms 8851 filed on paper to the Internal Revenue Service Center, Philadelphia, PA 19255.

If you file magnetically/electronically, complete Form 8851 above line a (trustee's information only) and send it to the Internal Revenue Service, P.O. Box 879, Kearneysville, WV 25430.

For publications and information for filing magnetically/electronically, call 304-263-8700.

Definitions

Medical Savings Account.—An MSA is a tax-exempt trust or custodial account established, created, or organized in the United States exclusively for the purpose of paying the qualified medical expenses of the account holder or the account holder's spouse or dependent in conjunction with a high deductible health plan.

High Deductible Health Plan.—A high deductible health plan is a health plan—

1. For self-only coverage, that has an annual deductible between \$1,500 and \$2,250, or
2. For family coverage, that has an annual deductible between \$3,000 and \$4,500, and
3. The annual out-of-pocket expenses required to be paid under the plan (other than for premiums) for covered benefits does not exceed—

- \$3,000 for self-only coverage, and
- \$5,500 for family coverage.

Previously Uninsured Account Holder.—If an account holder has **self-only coverage** under a high deductible health plan and had no health plan coverage at any time during the 6-month period before coverage under the high deductible health plan began, the account holder is considered **previously uninsured**. In addition, to be considered as previously uninsured, the high deductible health plan coverage must not have begun before July 1, 1996.

If an account holder has **family coverage** under a high deductible health plan and both the account holder and the account holder's spouse had no health plan coverage at any time during the 6-month period before coverage under the high deductible health plan began, the account holder is considered **previously uninsured**. In addition, to be considered as previously uninsured, the high deductible health plan coverage must not have begun before July 1, 1996. Conversely, if an account holder has family coverage and either the account holder or the account holder's spouse was insured at any time during the 6-month period before coverage under the high deductible health plan began or the coverage began before July 1, 1996, the account holder is **not** considered **previously uninsured**.

An account holder is considered previously uninsured even if the account holder had any health plan coverage listed below:

1. Medicare supplemental insurance.
2. Insurance if substantially all the coverage provided under such insurance relates to:
 - Liabilities incurred under workers' compensation laws,
 - Tort liabilities, or
 - Liabilities relating to ownership or use of property.
3. Insurance for a specified disease or illness.
4. Insurance paying a fixed amount per day (or other period) of hospitalization.
5. Coverage (whether through insurance or otherwise) for accidents, disability, dental care, vision care, or long-term care.

See **Line c** and **Lines 1–20** below.

Excludable Account Holder.—If an account holder who is not considered previously uninsured (as described above) opens an MSA, the account holder is considered an **excludable account holder** if the account holder's spouse has or had an MSA and was not considered previously uninsured. If an account holder is considered previously uninsured, **do not** treat the account holder as an excludable account holder.

If you simultaneously open an MSA for a husband and an MSA for his wife and neither is considered previously uninsured, treat either the husband or the wife, but not both, as an **excludable account holder**.

See **Line d** and **Lines 1–20** below.

Specific Instructions

Line a—Check the period for which Form 8851 is filed.

Note: Two reports are required for calendar year 1997 (for periods ending April 30, 1997, and June 30, 1997). See **When To File** above.

Line b—Enter the total number of medical savings accounts you established during the period covered by this Form 8851. See **Medical Savings Account** above. This includes all MSAs opened, even those for previously uninsured or excludable account holders.

Line c—Enter the total number of previously uninsured medical savings account holders. See **Previously Uninsured Account Holder** above.

Line d—Enter the total number of excludable medical savings account holders. See **Excludable Account Holder** above.

Lines 1–20—Enter each medical savings account holder's name and social security number in the spaces provided. If the account holder was previously uninsured (as described above), check the box provided. If the account holder is an excludable account holder (as described above), check the box provided. As explained above under **Excludable Account Holder**, if the previously uninsured box is checked for an account holder, **do not** check the excludable box for that account holder. If you need more space, attach additional sheets.

